

STATEMENT OF WORK (SOW)

This Statement of Work (“SOW”) is effective as of the 11th day of November, 2020 (“SOW Effective Date”) between The Texas A&M University System (“Company”) and 1099 Pro, Inc. (“Supplier”) and is attached to and made a part of the MASTER SOFTWARE LICENSE AND HOSTING SERVICES AGREEMENT dated November 11, 2020 (“Agreement”) between Company and Supplier. All capitalized terms not otherwise defined in this SOW will have the meanings assigned to them in the Agreement.

1. **Description of the Software and Documentation:**

- 1.1. **Term:** The initial term for Services (the “Initial Services Term”) begins on the SOW Effective Date and continues until November 10, 2022, unless earlier terminated in accordance with the Agreement. The Initial Services Term will automatically renew for successive one year periods, unless written notice of termination of Services is provided no less than 60 days prior to the end of the then-current term. If Company does not provide Supplier with such notice, Company’s License will be renewed for another term and Company will be invoiced for the applicable fees. Supplier will invoice Company for Services annually in advance for each 12-month period. Should Company not renew, Company may continue to run the software for the Tax Years purchased so long as Company does not breach any of the provisions in this Agreement.
- 1.2. **Software:** SOFTWARE being ordered by, and licensed to, Company via this SOW is: 1099 Pro Corporate Suite software with an installed Administrative interface and ASP.Net Web interface for information return reporting of the below Tax Year(s) & Form Type(s). See this Section 1.2, Section 5, and Exhibit I for complete software details and limitations.
- (a) **Tax Year(s):** 2020, 2021
- 1.2.a.1. **Current Tax Year:** 2020
- 1.2.a.2. **Future Tax Year(s):** are released via software Updates.
- (b) **Form Type(s):** 1097, 1098, 1099 Series, 392x, 5498, W-2, W-2C, W-2G, 1042-S, & Puerto Rican 480.6A, 480.6B, 480.7, 480.7C, 499R-2 tax forms*.
- 1.2.b.1. ACA 1095 Forms are allowed for prior years (i.e Tax Year 2019 or earlier).
- (c) The SOFTWARE being ordered by Company, via this SOW, is being licensed to Company as a single License which entitles Company to use the SOFTWARE by the client purchasing the SOFTWARE reporting services at the site(s) listed in Section 2 (Installation). The SOFTWARE being licensed may be used only to process data for Company and its wholly owned subsidiaries and affiliates (*i.e. Software & Components are not for a Service Bureau*).
- 1.3. **IAAS Services:** Infrastructure as a Service (IaaS) related services being ordered by Company via this SOW is: Supplier services to provide, maintain, or support Infrastructure as a Service related offerings, as specified in Exhibit IV, to Company in connection with Company’s access to, and use of, Supplier SOFTWARE.

*Software features, modules, and form types are subject to the License Metric(s) & Licensed Volume in Section 5.

2. **Installation:** [check which is applicable]

will be provided by Supplier on the following dates, at the following times and locations (if none is indicated, on a date and at a time and location to be mutually agreed upon by the Parties):

will be the responsibility of Company.

If Company is responsible for the installation of software then Company is also responsible for all hardware and Microsoft Licenses required to effectively host the software, including, but not limited to:

- MS SQL Server 2012 or higher & license(s)
- MS IIS Server 6+ & license(s)
- MS .NET Framework 4.5 or higher
- MS Windows 2008 Server or later
- Microsoft Excel 2008 or later
- PDF Printer & Viewer 2008 or later

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Recommended Hardware:

- Servers - Minimum of an Intel Xeon i7, or equivalent, with a minimum of two processors (2 GHZ each) and minimum Memory of 6 GB or higher per server.
 - Recommend separate servers for the SQL Server, Application Server, and Web Server.
- For large volumes of users, or records, SSD drives are recommended.

Permitted Installations:

- (1) Production installation, (1) Test installation, & (1) Disaster Recovery installation.
 - Only the Production installation may be used for tax reporting of any kind.
 - Company may install additional installations, for an annual fee equal to 50% of the fee listed in Section 5.1, if mutually agreed upon by Company and Supplier, in writing.

3. **Training:** *As per Section 5.3 of the Agreement.*

will be provided by Supplier as set forth herein

will not be provided by Supplier

4. **Maintenance:**

4.1 **Maintenance Term:** Maintenance begins on the SOW Effective Date and shall continue for the Term of this SOW unless earlier terminated in accordance with the Agreement. Maintenance is included in the License Fees and there shall be no separate or additional charge for Maintenance.

4.2 **Description of the Telephone and Email Support:** Supplier will provide Company with **40 hours** telephone support, available by dialing (866) 444-3559, and unlimited email support, available by emailing support@1099pro.com and/or Company's designated Account Manager, consisting of:

- (a) general support, including general technical information and assistance with problem determination, isolation, verification, and resolution during the hours of 7:00 a.m. to 5:00 p.m. PST, excluding weekends and United States federal holidays. Additionally, support is provided in January, on weekends, from 8AM – 3PM (PST) on Saturdays and 8AM – 12NOON (PST) on Sundays.
- (b) environment, mission critical and systems-down application and technical support will be responded to within one (1) business day of Company's notification to Supplier, and Supplier shall work to resolve any mission critical and systems down issues, during business hours, until the application is functioning.

5. **Fees and Invoice Schedule:**

5.1 Software License Fees, Hosting Fees, and Invoice Schedule:

Software	License Metric(s)	Recurring Fees	Invoice Schedule
1099 Pro Corporate Suite Software & ASP.Net Interface	Features: <ul style="list-style-type: none"> • <i>Web API – Included</i> • <i>Puerto Rico Module – Not Included</i> • <i>ACA 1095 Module for Current Year – Not Included</i> Volume: <ul style="list-style-type: none"> • <i>See "Licensed Volume" column below.</i> 	<u>\$10,320/year</u>	The first recurring fee will be invoiced, in US dollars, upon the SOW Effective Date. Subsequent recurring fees will be invoiced annually.
Hosting Services (includes	<i>Included per the Specifications in Exhibits <u>II, III, IV, V, VI</u></i>	<u>\$21,000/year</u>	The first recurring fee will be invoiced, in US

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Production environment)			dollars, upon the SOW Effective Date. Subsequent recurring fees will be invoiced annually .
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The above figures are subject to an annual price increase of 3% or the prior term average increase in the CPI-U, whichever is higher.

Description	Licensed Volume	Overage Rate	Invoice Schedule
Filer(s)	<u>22</u>	<u>\$25</u> /Filer	Post 1 st of May in each tax year.
Record(s)*	<u>10,000</u>	<u>\$.625</u> /Record	Post 1 st of May in each tax year.
Web User(s)	<u>45</u>	<u>\$25</u> /Web User	Post 1 st of May in each tax year.
Hosted Admin User(s)	<u>7</u>	<u>\$750</u> /Admin User	Post 1 st of May in each tax year.

5.2 **Installation Implementation / Onboarding Fees and Invoice Schedule:** (if any)

Category	Description	One-time Installation Fees	Invoice Schedule
History Mapping / Conversion	Transfer of all historical data in existing software installation.	Included with transition.	N/A

5.3 **Training Fees and Invoice Schedule:**

Description	One-time Training Fees	Invoice Schedule
(2) 3-hour, live training, via webinar, geared towards Company's needs and recorded for Company's internal use.	First (2) sessions free. \$650 per addtl session.	Fees will be invoiced upon successful completion of the training.

5.5 **Other Services and Invoice Schedule:** Company may, at its option, engage Supplier to provide additional services that are outside the scope of this SOW such as custom programming or additional modules. Such services/modules are provided pursuant to the below table which is mutually agreed upon and executed by the parties. Fees shall be invoiced upon successful completion of the services.

Description of Service	Fees	Invoice Schedule
Custom Programming / Custom SQL Scripts	\$450 minimum + \$150/hour	Fees will be invoiced upon the successful testing of the completed project/task which required the custom programming.

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Account Manager support in excess of 40 hours per year. This can be applied towards attending business meetings, conference calls, support for multiple environments, IT troubleshooting...	\$100/hour	Fees will be invoiced at the end of each month, after the initial 40 hour threshold has been passed.
Puerto Rico Forms Module (includes 480.6A, 480.6B, 480.7, 480.7C, 499R-2)	\$2,500/year	The first recurring fee will be invoiced immediately. Subsequent recurring fees will be invoiced annually in conjunction with the SOW Effective Date annual billing.
ACA 1095 Forms Module (includes 1094-B, 1095-B, 1094-C, & 1095-C)	\$2,500/year	The first recurring fee will be invoiced immediately. Subsequent recurring fees will be invoiced annually in conjunction with the SOW Effective Date annual billing.
IAAS Service - Additional TEST database in Production environment	\$3,000/year per additional environment	Fees will be invoiced upon the successful testing of the completed project/task, pro-rated for the first year, and then invoiced in full in subsequent annual billings.
IAAS Service - Additional Environment(s) (DEV/STAGE)	\$9,250/year per additional environment	Fees will be invoiced upon the successful testing of the completed project/task, pro-rated for the first year, and then invoiced in full in subsequent annual billings.
IAAS Service - Security Assertion Markup Language (SAML) 2.0 Integration for ASP (Web) Interface	\$5,000/year + \$2,500/year for additional environments (i.e TEST/STAGE)	Fees will be invoiced upon the successful testing of the completed project/task, pro-rated for the first year, and then invoiced in full in subsequent annual billings.
IAAS Service - Dedicated SQL Server Instances (IAAS Service Only)	\$5,000/year + \$2,500/year for additional environments (i.e TEST/STAGE)	Fees will be invoiced upon the successful testing of the completed project/task, pro-rated for the first year, and then invoiced in full in subsequent annual billings.
Service Bureau – Printing, Mailing, and/or eFiling Services	See Exhibit VII	See Exhibit VII

5.6 **Sales and Use Taxes:** In addition to the foregoing charges, your invoices may reflect federal, state and local taxes, including sales and use taxes, if any, that Supplier is required to collect from Company based on applicable law. Company is solely responsible for such taxes. All applicable federal, state, and local sales and use taxes, if any, are added to the total invoiced balance under this SOW based on the fees set forth above, and will be calculated as required by law. Unless otherwise required by applicable law, such taxes will be calculated and reported on the products and services sold to Company based on the shipping address provided by the Company. If the shipping address provided by Company, in Section 6.1, is not the location that the products and services are purchased and used, Company is required to provide Supplier with such address(es) so that accurate sales and use tax information can be reported to the appropriate taxing authorities. Additionally, Supplier may separately invoice Company at any time, including after the initial invoice under this SOW, for any lawfully required uncollected or under-collected taxes.

6. **Invoices:**

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6.1 All Invoices will be sent to the following address:

The Texas A&M University System
301 Tarrow, RM 345
College Station, TX 77845
Email invoices to systemvouchers@tamus.edu

6.2 All Invoices shall be paid by Company TO Supplier by the later of 31 days of becoming due or 31 days from the invoice date. Late payments are subject to 1.0 % interest per month. 3% shall be added to all payments by credit card to LICENSEE.

6.3 Company shall remit payments and correspondence to:

1099 Pro, Inc.
ATTN: Corporate Suite Licensing
23901 Calabasas Road, Suite 2080
Calabasas, CA 91302

IN WITNESS WHEREOF, the Parties have executed and delivered this SOW as of the SOW Effective Date.



The Texas A&M University System

1099 Pro, Inc.

DocuSigned by:
Signature: *Billy Hamilton*
BEDCDB89EA78479...

DocuSigned by:
Signature: *Michael Stewart*
994BAABC199749A...

Print Name: Billy Hamilton

Print Name: Michael Stewart

Title: Deputy Chancellor and Chief Financial Officer

Title: Director of State Compliance

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EXHIBIT I

1099 Pro Corporate Suite Software and Components Description

The 1099 Pro system is used to streamline the process for year-end information reporting and ensure compliance with the continuing modification of the federal and state information reporting tax regulations. The system generates media that meets Internal Revenue Service and State specific Form 1095, 1098, 1099, 1042-S, 5498, W-2G, and CA 592-B specifications. In addition the system also generates the media required by both the Social Security Administration, State Agencies and the BLS for Form W-2 reporting.

The system enables information return filers to send a Form W2, 1042-S, 1095, 1098, 1099, and 5498 statement that consolidate reportable accounting application systems. The system supports the following Year-round Federal and State Information Reporting for:

Form W-2 & W-2C	Form W-2G
Form W-8 & W-9	B & C Notices
Form 1098 & 1099 Series	Form 5498
Form 1042-S	Form 1094/1095 B/C
Form CA 592-B	

The system provides tracking and reporting capabilities to help you comply with federal and state requirements, including:

- Master name and address files for TIN/Name reporting to reduce B-Notice and TIN Penalty Listings
- Transaction updates to payee summary information to minimize the costs of keeping current and in balance—and to avoid the December and January reporting crises
- On-line transaction history for reviewing information to resolve discrepancies and track activity
- TIN certification and withholding status tracking to support the “2/3” B-Notice ruling
- Annual reporting activity for establishing “reasonable cause” to avoid costly penalties and interest
- Custom interfaces to electronic channels for printing and filing information e.g. RR Donnelley Blue Book Format
- Multi-Tax Year Processing with 1099 Pro ASP and Multi-year Corporate Suite application— Immediate access to multiple years of payee and payment tax history. You have the ability to directly access current and prior year payment data, add new payees and payment information or make corrections to previously filed returns.
- TIN Compliance Management – Centralized processing to track and store all activity related to TIN Solicitations, Certifications, B-Notice, TIN Penalty activity, Backup Withholding Status and Abatement Justifications. This Module also imports and matches the B-Notice (CP2100) and TIN Penalty (972CG) to your internal Payee and TIN History files to accurately identify any Payees that must be sent a 1st or 2nd B-Notice or Form W9 and Form W-4P for re-certification. Functions include the generation and tracking of Form W-8 series related to Non Resident Aliens
- Filing:
 - State Reporting
 - IRS CFS Annual Returns including CFS exclusion rules
 - Direct State Annual Returns
 - Current Year CA 592-B Returns
 - Current Year Quarterly to CA, NY, & ME

The system accepts information from standard payment system applications including fixed width or delimited formats and YTD, Transactional or Cumulative imports providing a flexible process for importing payee and payment information from your mainframe or PC applications for processing and reporting.

Below are the formats and media that are available:

- Electronic Filing (eFiling) and/or paper required for original, quarterly, and correction filings with the federal, state, and United States territorial agencies.
- Efile Viewer™ for 1099, W-2, & 1042-S files.

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- Includes editor and converter functionality.
- Individual paper payee statements for originals and corrections
- Forms and instructions on plain paper, eliminating the need to purchase forms
- Customizable Print files for processing by an outside vendor(s)
- Files of singular or multi-group statements for printing or imaging on high-volume printers and standard business printers
- Custom reports including query exports to Excel™

Take full advantage of the federal and state correction capabilities of the system, including:

- Wizard Based processes e.g. corrections, printing
- Point and click federal and state transmittals
- Corrected payee statements and government media
- Prior year data access, processing, and reporting
- Multi-year form lookup via Internet Explorer™, Chrome, FireFox, and Safari
-Prior Year Module allows for processing the Current Tax Year and up to 9 prior years

Optional – if included, then each additional charge must be included in the SOW:

- API for Web Presentment
- 480.6A: Income NOT subject to withholding
- 480.6B: Income Subject to Withholding
- 480.7: Individual Retirement Accounts
- 480.7C: Retirement Plans And Annuities
- 499R-2: W2-PR Withholding Statement
- 1095-B/C: Health Coverage
- 1094-B/C: Health Coverage Transmittals (XML filing thru the AIR UI)
- Hosting Services / Hosted Environment
- Managed Services

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EXHIBIT II

Priority Codes and Response Times

Critical: A “**Critical**” priority is given to an issue that renders Software or Services inoperable, substantially degrades the performance thereof, adversely and substantially affects Company’s business operations, or causes substantial financial liability due to operational or informational deficiency.

High: A “**High**” priority is given to an issue that is not adversely affecting Company’s business operations or causing financial liability, but is repeatedly and substantially affecting Company’s usage of Software or Services or data integrity or degrading performance of Software or Services and does not have any viable workaround options.

Standard: A “**Standard**” priority is given to an issue which does not impact Company’s operation or use of Software or Services.

Supplier shall respond to requests from Company for Software or Services support within the response time frames specified in the applicable SOW, if any, or in accordance with the following:

- (a) Supplier will respond to a Critical priority within one business day after Company has reported the problem to Supplier, and Supplier will diligently work to resolve the problem and will follow up, as necessary, until resolution of the problem.
- (b) Supplier will respond to a High priority within two business days after Company has reported the problem to Supplier, and Supplier will diligently work to resolve the problem or provide a workaround option.
- (c) Supplier will respond to a Standard priority within two business days after Company has reported the problem to Supplier and will diligently work to resolve the problem, provide a workaround option, or inform Company that no changes, alterations, or additional support will be provided relating to the priority notification.

The priority level of the problems reported by Company will be mutually determined by Company and Supplier. Additionally, the priority level will be provided, in writing, by Company’s Project Manager, or equivalent role, to Supplier. If Company does not adhere to these steps, for determining and providing notification of the proper priority level, then no priority will be deemed to have been assigned. Feature/information requests cannot be given Priority Codes and Supplier makes no assurances or guarantees that any new features or software modifications will be incorporated into the software as a result of a priority notification.

STATEMENT OF WORK (SOW)**EXHIBIT III****Hosting Services / Hosted Environment(s)**

FEATURES			
Category	Description	Standard	Add-On Options
Shared / Dedicated	Dedicated App Server	X	
	Dedicated Web Server	X	
	Shared SQL Server Instance	X	
	Dedicated SQL Server Instance(s)		
Multi-Installation Environments	Additional CS Installation & DB (in a single environment)		X
Web / Login Features	Multi-Factor Authentication	X	
	SAML 2.0 Integration for ASP/Web		
	Web API Integration		X
Redundancy	High-Availability (Redundant Failover)	X	
	File Replication	X	
File Transfers	HTTPS TLS 1.2 File Transfer Ability	X	
	SFTP File Transfer Ability	X	
	GPG / PGP file encryption & decryption		
App Server Programs	Windows Server 2016	X	
	SQL Server 2016 Enterprise w/TDE	X	
	Microsoft Excel 2016	X	
	Adobe Acrobat Reader XI Pro	X	
	Textpad	X	
	Notepad	X	
	SQL Server Management Studio	X	
	1099 Pro eFileViewer	X	
1099 Pro FileSize Utility	X		
User Profiles	Admin User Profile	X	
	Admin Lite User Profile	X	

USERS			
Category	Description	Standard	Additional Users
Additional Users	Up to 5 Users	X	
	Additional Users		2

ENVIRONMENTS			
Category	Description	Standard	Add-On Options
Environments	Production Environment	X	
	Stage / Test Environment (2nd)		
	Development Environment (3rd)		

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EXHIBIT IV

IAAS Services

- 1) Supplier agrees to provide, maintain, or support the following Infrastructure as a Service related offerings (collectively, the “IAAS Services”) to Company in connection with Company’s access to, and use of, Supplier SOFTWARE:
 - a) Services
 - i) Expertly applied 1099 Pro, Windows, and SQL updates
 - ii) Full 1099 Pro Client/Server and ASP.Net (Web) support
 - iii) Microsoft certified technician support
 - iv) 1099 Pro Systems and Account Managers
 - v) Allocation & reallocation of existing storage
 - vi) Availability monitoring
 - vii) Performance monitoring
 - viii) Security patches
 - ix) Data backup & disaster recovery services
 - b) Data Centers
 - i) SOC I Type II Certified
 - ii) Multi-Factor Authentication
 - iii) SQL Enterprise w/TDE database encryption
 - c) Redundancy
 - i) Built-in fail over through redundant multi-host configuration
 - ii) File replication between data centers
 - iii) Geographically dispersed data centers within the US
 - iv) Redundant power provided via backup systems
 - v) Pre-action fire suppression
 - vi) Environmentally controlled
 - vii) High availability configuration

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Throughout the period during which Supplier is providing Services, Supplier shall ensure the following:

- (a) 90% System Availability over any calendar month. Should Supplier fail to achieve 90% System Availability over a calendar month, Company shall have the right to receive, as a non-exclusive remedy, the applicable Service Level Credit as set forth in the table below. **"System Availability"** means the percentage of total time during which Services are available to Company, excluding **"Emergency Maintenance"**, the hours of 5:00 p.m. to 7:00 a.m. U.S. Pacific Standard Time, and weekends. **"Available"** means Supplier's systems, Software, and data transmission are able to receive, process, store and transmit Company's data accurately. **"Emergency Maintenance"** means downtime of the Production Service, outside of maintenance hours, that is required to complete the application of urgent patches or fixes, or undertake other urgent maintenance activities. If Emergency Maintenance is required Supplier will promptly contact Company and provide the expected start time and the expected duration of the Emergency Maintenance.

System Availability (Monthly)	Service Level Credit (% of monthly Services fees)
85% - 90%	5%
80% - 84.99%	10%
75% - 79.99%	15%
Below 75%	20%

Service Level Credits shall be applied against the next invoice. In the event a Service Level Credit is incurred after Company has made final payment to Supplier for Services and no further invoices shall be issued as a result, Supplier shall promptly refund to Company the amount of the Service Level Credit. Service Level Credits shall be limited to credits and/or refunds for amounts paid for Hosting Services, as specified in the SOW, Section 5.1, only. In no event shall credits be applied to other services such as Software License fees, managed services, printing and mailing services, e-filing services, or any other service that is not specified in Section 5.1, as Hosting Services.

- (b) Average Recovery Time Objective (RTO) of 72 hours, as measured from the point in time when Software/ Services become unavailable for use by Company to the point in time when Software / Services are fully restored for use by Company.
- (c) Average Recovery Point Objective (RPO) of 48 hours.
- (d) Response to and correction of reported problems in accordance with Exhibit II.

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EXHIBIT VI

IAAS Data Security

- 1) **Security Standards and Controls.** Supplier will establish and maintain (i) administrative, technical, and physical safeguards against the destruction, loss, or alteration of Confidential Information; and (ii) appropriate security measures to protect Confidential Information, which measures meet or exceed the requirements of applicable laws relating to personal information security. In addition, Supplier will implement and maintain the following information security controls:
 - a) privileged access rights will be restricted and controlled;
 - b) an inventory of assets will be maintained;
 - c) network security controls will include, at a minimum, firewall and IDS services;
 - d) detection and prevention controls to protect against malware will be implemented;
 - e) information about technical vulnerabilities of Supplier's information systems will be obtained and evaluated in a timely fashion and appropriate measures taken to address the risk;
 - f) detailed event logs recording user exceptions, faults, access attempts, operating system logs, and information security events will be produced, retained and regularly reviewed;
- 2) **Encryption Standards, Multifactor Authentication and Protection of Confidential Information.**
 - a) Supplier will implement and maintain cryptographic controls for the protection of Confidential Information, including the following:
 - i) Use of encryption to protect Confidential Information that is either stored or transmitted.
 - ii) Use of AES 128 bit encryption (or other FIPS 140-2 compliant algorithm) to encrypt Confidential Information over un-trusted networks;
 - b) In addition to the controls described in clause (a) above, Supplier will (i) implement multi-factor authentication for remote VPN access for Supplier users and remote environment administrator access for Company users; and (ii) ensure that no Company PII or other Confidential Information is placed on unencrypted mobile media, CDs, DVDs, or laptops.
- 3) **Information Security Awareness, Education and Training.** Supplier will provide regular information security education and training to all Supplier Personnel, as relevant for their job function. In addition, Supplier will provide mandatory training to information security personnel and require key information security personnel to stay abreast of changing cyber security threats and countermeasures.
- 4) **Vulnerability Assessments.** Supplier will conduct quarterly vulnerability assessments that meet the following criteria: (i) all public facing servers and network devices must be scanned at least quarterly; (ii) all findings must be risk rated; (iii) all findings must be tracked to closure, or deferred if not deemed a critical finding, based on risk; and (iv) tools used for scanning must have signatures updated at least quarterly with the latest vulnerability updates. Supplier will implement and maintain a formal process for tracking and resolving issues in a timely fashion.
- 5) **Physical and Environmental Security.** Supplier will ensure that all sites are physically secure, including the following: (i) sound perimeters with no gaps where a break-in could easily occur; (ii) exterior roof, walls and flooring of solid construction, and all external doors suitable protected against unauthorized access with control mechanisms such as locks, bars, alarms, etc.; (iii) all entry/exit doors to be equipped with locking mechanisms; (iv) equipment with protection from power failures; (v) closed-circuit television cameras at site entry/exit points; or other means to prevent unauthorized access; and (vi) visitor sign-in / mandatory visitor escort at site.
- 6) **SSAE.** Each year, at Supplier's cost and expense, Supplier shall engage a third party auditor to conduct an SSAE with respect to the Services, and provide relevant Service Organization Control ("**SOC**") audit reports (a SOC 1 Type II). As soon as reasonably practicable following Supplier's receipt of such reports, Supplier shall provide Company with a copy of such report, provided that Company makes a written request for such report, to the extent related to the provision or receipt of the Services, and Company may share a copy of such report with its agents, regulators, and consultants provided that Company has a fully executed Mutual Non-Disclosure Agreement, at

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least as restrictive as those between Supplier and Company, with any person or entity that Company shares such report with.

- 7) **Internet Connections.** Supplier shall design and use user identification and access controls to limit access to Company data. Supplier shall ensure that external connections to the World Wide Web will have appropriate security controls including industry-standard host based software that will detect and terminate any unauthorized activity prior to entering the firewall maintained by Supplier. Supplier shall use and maintain industry-standard firewalls regulating all data entering Supplier's internal data network from any external source, which firewalls will enforce secure connections between internal and external systems and will permit only specific types of data to pass through. Supplier shall ensure that industry-standard encryption techniques will be used when Company data is transmitted by Supplier on behalf of Company. The Hosting Services shall be compatible with most industry-standard Internet browsers.
- 8) **Back- Up Storage and Security.** Supplier will have and maintain policies, processes, for backup of data containing Personal Information and provisioned environments. The back- up storage infrastructure will be located in physically protected, limited access facilities located within the United States and be governed by the access controls and other security measures.
- 9) **Business Continuity Management.** Supplier will have and maintain a documented disaster recovery plan. This disaster recovery plan should include recovery procedures for reasonably foreseeable disasters and other disruptions that may impact Supplier's performance of the Secure Services. In the event of a disaster, Supplier will endeavor to promptly restore such Secure Services and to comply with any work and/or data restoration deadlines included in any agreements between the parties.

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EXHIBIT VII

SERVICE BUREAU PRICING

Record Volume 1 – 999*:

- Print & Mail Only: \$.97/record
- eFile Only: \$.25/record for the first 1,000 records. \$.01/record for each additional record
- Print, Mail, & eFile (Full Service): \$1.17/record
- Corrections eFile Upload: \$45/upload flat fee
- All Other Uploads, Minimum Charge: \$85/upload

Record Volume 1,000 – 4,999*:

- Print & Mail Only: \$.97/record
- eFile Only: \$.25/record for the first 1,000 records. \$.01/record for each additional record
- Print, Mail, & eFile (Full Service): \$1.15/record
- Corrections eFile Upload: \$45/upload flat fee
- All Other Uploads, Minimum Charge: \$85/upload

Record Volume 5,000 – 9,999*:

- Print & Mail Only: \$.97/record
- eFile Only: \$.25/record for the first 1,000 records. \$.01/record for each additional record
- Print, Mail, & eFile (Full Service): \$1.13/record
- Corrections eFile Upload: \$45/upload flat fee
- All Other Uploads, Minimum Charge: \$85/upload

Record Volume 10,000 – 14,999*:

- Print & Mail Only: \$.97/record
- eFile Only: \$.25/record for the first 1,000 records. \$.01/record for each additional record
- Print, Mail, & eFile (Full Service): \$1.10/record
- Corrections eFile Upload: \$45/upload flat fee
- All Other Uploads, Minimum Charge: \$85/upload

**All prices, that include the print & mail service, are subject to change in accordance with the US Postage rate.*

**Record Volume is calculated per upload submission.*

**Pricing only valid for 1098, 1099, & W-2 series forms. ACA 1095 & 1042-S forms have different pricing.*

**Requires our Service Bureau contract to be executed beforehand (if over \$2,000). Sample Service Bureau contracts, for prior review, are available upon request.*